

Liberalisation of Investor and Skilled Migrant categories

The Minister of Immigration has recently announced changes to government policy to make it easier to apply for residency under the Investor and Skilled Migrant categories. The changes are designed to increase the number of high quality migrants to New Zealand.

While the changes to the Skilled Migrant category are relatively minor, the changes to the Investor category are significant and welcome. This has long been an impractical policy, being too liberal under the previous National-led Government (the Courts are still dealing with the fall-out from this policy), and too restrictive under the current Government (hardly anyone has successfully applied). Both regimes have sent the wrong immigration signals. The Investor category changes should significantly redress that, although aspects of the revised Investor category policy are still unattractive to the target group who prize flexibility in their immigration and business dealings.

Investor category

Current policy

The Investor category is one of the main Business categories for residency but has attracted few applications to date due to restrictive policy conditions requiring applicants to:

- be under 55 years of age
- have at least five years' business experience
- meet health, character and English language requirements
- be willing to invest NZ\$2 million for at least two years with the Government (with a return equal to the rate of inflation) and then for a further three years in an approved business, and
- live in New Zealand for at least 20% of the investment term (which really means half of each of the last two years).

New policy

The Government is keen not to exclude successful international business people who would otherwise be interested in living and investing in New Zealand, but who fail to meet all of these requirements. The new "Active Investor Migrant" policy effective from November this year will therefore relax some of these conditions, particularly for high-level investors. Investors will be classified as either "Global Investors", "Professional Investors" or "General Active Investors" depending on their intended level of investment.

Global investors

This is a top priority category for those investing a minimum of NZ\$20 million (including NZ\$5 million in "active investment" – as discussed below). The key features are:

- No age limit
- No English language requirements

- Only four years' business experience required
- Applicants only need to spend 20% of each year living in New Zealand (i.e. 73 days).

Professional investors

A second priority category for migrants investing a minimum of NZ\$10 million (including NZ\$2 million in "active investment"). The key features are:

- Investors up to the age of 64
- Four years' business experience
- Some English language skills
- Applicants must live in New Zealand for 30% of every year (i.e. 110 days).

General active investors

This category is available to those investing a minimum of NZ\$2.5 million. The key features are:

- Investors up to the age of 54
- Four years' business experience
- Higher English language skills
- Applicants must live in New Zealand for 40% of each year (i.e. 146 days)
- Must have a minimum of NZ\$1 million in settlement funds
- Applicants will be assessed on the basis of their potential to contribute to New Zealand businesses.

What is "active investment"?

A key change is that applicants will no longer have to invest with the Government, but may instead invest directly or indirectly in New Zealand businesses ("active investment"). Whilst it is clear that applicants will have a greater

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choice of investment options, it is unclear as yet what these options will be (as the policy is still in the development phase). However, it will be insufficient to merely hold funds in a New Zealand bank account, or to invest in residential property development.

The Government is still developing detail of how the policy will work.

Limited places

There will be a cap on the number of places available under the policy at 1,000 people (roughly 300 applications). Global and Professional Investors will be selected first and the remaining places will be available to the General Active Investor category.

Skilled Migrant category

Current policy

Most successful New Zealand residency applications are made under the Skilled Migrant category. Applications under the category are currently assessed through a filtering mechanism called 'expression of interest'.

Overall, key factors for residency are:

- applicants must be aged under 56 years
- they must score at least 100 points in order to be eligible to submit an expression of interest (points and bonus points are awarded based on the applicant fulfilling certain criteria such as having an offer of employment, the offer relating to a skill shortage area, having work experience in New Zealand etc)
- applications for residency are assessed on the person's ability to settle successfully and make a real contribution to New Zealand's social and economic development.

Work to residence

The policy includes a Work to Residence component for those who meet all the other requirements of the category but need to prove their employability before being granted residence (those who have New Zealand jobs or job offers generally receive residence straight away). Changes to this component came into effect in April this year to give applicants:

- nine months (or twelve months for overseas applicants) instead of six to find a job, and
- the chance to be granted residence as soon as they find a job, rather than requiring them to wait for three months.

New policy

The Government has recently announced further changes to come into effect on 30 July this year which will:

- liberalise the bonus points system
- broaden the definition of skilled employment, and
- expand the list of recognised qualifications.

How can we help

Please do not hesitate to contact us if you have any questions about how you can take advantage of the changes to Immigration policy in applying for New Zealand residency or entry into New Zealand, or if you require any other assistance in establishing a business in New Zealand. Please click here to read our guide to Establishing a Business in New Zealand.